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6 Attorneys for Equity Holder Yu Brian Zheng

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8 **UNITED STATES BANKRUPTCY COURT**

9 **CENTRAL DISTRICT OF CALIFORNIA**

10 **LOS ANGELES DIVISION**

11 In re:

12 PLAYHUT, INC.,

13  
14 Debtor and Debtor in Possession.

Case No. 2:18-bk-15972-WB

Chapter 11 Case

15 **DECLARATION OF YU BRIAN**  
16 **ZHENG IN RESPONSE TO AMENDED**  
17 **EMERGENCY MOTION FOR**  
18 **APPOINTMENT OF CRO**

19 **Hearing:**

Date: July 19, 2018

Time: 10:00 a.m.

Courtroom: 1375

**DECLARATION OF YU BRIAN ZHENG**

I, Yu Brian Zheng, declare:

1. I am the President, CEO and sole shareholder of Playhut, Inc., the Debtor and Debtor possession herein. I make this declaration in support of my Motion for Preliminary Injunction. If called as a witness, I could and would testify competently as to the facts set forth below, as I know each to be true based upon my own personal knowledge.

2. I signed the guarantee for the DIP financing of \$3,000,000 because I understood that it is necessary for my company to continue in business.

3. A few days later because of actions by Disney regarding a letter of credit that was issued a long time ago and over which I have no control, I was advised that the Creditor's Committee and Preferred Bank were requiring the appointment of a CRO and that I am not to have any input on financial matters of the Debtor. I signed the stipulation for the appointment of a CRO because I believed that I had no choice in the matter.

4. I have reviewed the Creditor Committee's Amended Emergency Application for the Appointment of the CRO. The Application attaches no evidence to support its assertions. This is because I did **not** contact any suppliers or vendors of the Debtor over the weekend and I did not discuss with them the CRO issue. In fact, I did not speak to any of them over the weekend. I left a message with a vendor on July 16, 2018 requesting the vendor to call me back.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on July 17, 2018, at Walnut, California.

By: 

Yu Brian Zheng

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:  
5950 Canoga Avenue, Suite 400, Woodland Hills, CA 91367

A true and correct copy of the foregoing document entitled (*specify*): Declaraiton of Yu Brian Zheng regarding  
Appointment of CRO

will be served or was served **(a)** on the judge in chambers in the form and manner required by LBR 5005-2(d); and **(b)** in the manner stated below:

**1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF):** Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) 06/17/2018, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

mfletcher@frandzel.com, sking@frandzel.com, alvin.mar@usdoj.gov, sreider@goeforlaw.com  
ustregion16.la.edf@usdoj.gov, kmurphy@goeforlaw.com, rgoe@goeforlaw.com, goeforecf@gmail.com  
Rmarticello@swelawfirm.com, csheets@swelawfirm.com, gcruz@swelawfirm.com, hdavis@swelawfirm.com  
havkinlaw@earthlink.net, stella@havkinandshrago.com, rwaddell@frandzel.com, gwarrington@frandzel.com  
mkurth@foxrothschild.com, mette-kurth-7580@foxrothschild.com

☐ Service information continued on attached page

**2. SERVED BY UNITED STATES MAIL:**

On (*date*) \_\_\_\_\_, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

**3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) 06/17/2018, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

Honorable Julia W. Brand via Court Drop box

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

06/17/2018 Stella Havkin  
Date Printed Name

/s/ Stella Havkin  
Signature